

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 007174

15

ORIGIN TRSE-00

INFO OCT-01 EA-07 ISO-00 EB-07 L-03 SP-02 CIAE-00 INR-07

NSAE-00 OMB-01 /028 R

DRAFTED BY TRSY:OS:ITC:DSFOSTER

APPROVED BY

EB/IFD/OMA:RJRYAN

TRSY:OS:MFIELD

EA/PHL:RTWILLNER

L/T:JOBYD

L/EB:PMICKEY

----- 067055

R 122234Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

LIMITED OFFICIAL USE STATE 007174

E.O.11652: GDS

TAGS: EFIN

SUBJECT: U.S.-R.P. TAX TREATY

REF: A. MANILA 17819 B. STATE 297101

1. EMBASSY MAY CONVEY TO VIRATA AND PIO DE RODA SUBSTANCE OF PARAGRAPH 2 REFTEL B, I.E., THAT U.S. PREPARED TO CONSIDER DELETION OF SHIPPING ARTICLE IF OTHER TREATY ISSUES ARE RESOLVED FAVORABLY TO THE U.S. OTHER ISSUES INCLUDE WITHHOLDING TAX RATES AND TAXATION OF RENTALS FROM TANGIBLE PERSONAL PROPERTY. U.S. IS ALSO CONSIDERING PHILIPPINE DRAFT ON SHIPPING. IT SHOULD BE NOTED THAT DURING NEGOTIATIONS IN MANILA THE U.S. INFORMED RP PANEL THAT IT WOULD CONSIDER THESE APPROACHES TO THE SHIPPING ISSUE.

2. WITH RESPECT TO NONDISCRIMINATION ARTICLE, U.S. POSITION IS THAT TREATY SHOULD GUARANTEE NATIONAL TREATMENT, GOP POSITION IS THAT PHILIPPINES SHOULD BE PERMITTED TO PROVIDE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 007174

ANY INCENTIVES TO THEIR NATIONALS FOR INVESTING IN PREFERRED

AREAS. AT US. SUGGESTION, PHILIPPINES DRAFTED LANGUAGE OF SEPTEMBER DRAFT, PROVIDING A GENERAL RULE OF NONDISCRIMINATION WITH A LIST OF SPECIFIC EXCEPTIONS CONSISTING OF THE MINIMUM LIST PHILIPPINES COULD ACCEPT. BOTH SIDES ARE REFLECTING ON THEIR POSITIONS AND ON THE LANGUAGE OF THE SEPTEMBER DRAFT AS A POSSIBLE COMPROMISE. WE ARE NOT PREPARED AT THIS TIME TO AGREE TO THAT LANGUAGE OR TO REJECT IT, APART FROM AGREEMENT ON ENTIRE DRAFT.

3. IN GENERAL, OUR APPROACH TO THE NEGOTIATION OF TAX TREATIES HAS BEEN TO REGARD ALL TREATY PROVISIONS AS RELATED AND NEGOTIABLE. WE HAVE FOUND IT UNDESIRABLE TO DEAL SEPARATELY WITH PARTICULAR ARTICLES. THUS, WE BELIEVE THAT SHIPPING AND NONDISCRIMINATION ISSUES SHOULD REMAIN OPEN FOR FURTHER DISCUSSION IN THE NEXT ROUND OF NEGOTIATIONS AND UNTIL A TOTAL TREATY PACKAGE HAS BEEN AGREED ON. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW, AGREEMENT DRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE007174
Document Source: CORE
Document Unique ID: 00
Drafter: OS:ITC:DSFOSTER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760011-0731
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760165/aaaachvv.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MANILA 17819, 76 STATE 297101
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUN 2004 by greeneet>; APPROVED <08 JUN 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S.-R.P. TAX TREATY
TAGS: EFIN, RP, US, (VIRATA), (PIO DE RODA)
To: MANILA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006